Sectt. II-27—50,006—27-10-41.

P. W. (1942) Department.

1/S SERIES.

G.O. No. 2925

Dated 14.8.42

[Despatch Abstract.]

Electricity - Mangalore
Electric licence - Accounts
Recorded with remarks

LOVELOCK & LEWES,
CHARTERED ACCOUNTANTS.

REGISTERED ACCOUNTANTS UNDER THE INDIAN COMPANIES ACTS.

TELEGRAPHIC ADDRESS:- "VELOX" CALCUTTA.
TELEPHONE No 750 (2 LINES).
BENTLEY'S CODE.

4, Lyons Range,
Calcutta.

COPIED

A.329

22nd September 1941.

The Secretary to the Government of Madras,
Public Works & Labour Department.
MADRAS.

Dear Sir,

We have examined the Statement of Share Capital Appropriation and Forms numbered II, III, IV, V, VI, VII and VIII, which relate to the accounts of the Mangalore Electric Supply Co. Ltd., with the books and vouchers for the year ended 31st March 1941.

SERVICE CONNECTIONS.

The expenditure chargeable to consumers on this account has been debited in the Revenue Account in accordance with the instructions contained in Circular G.O. No. 732W dated 13th December 1934. In the Accounts published to the Shareholders this expenditure has been capitalised. Depreciation written off expenditure on Service Connections is calculated on the capitalised expenditure shown in the Accounts published to the Shareholders.

For your information we enclose a copy of the published Accounts of the Mangalore Electric Supply Co. Ltd. for the year ended 31st March 1941.

Subject to the above remarks, we find that the Accounts have been properly maintained in the Forms referred to in Rule 36(3) of the Indian Electricity Rules of 1937, and we are satisfied that only those items which properly belong to the Capital Account have been debited thereto, and nothing has been charged to the Revenue Account which may be properly debited to Capital Account.

Yours faithfully,,

Lovelock Lewes

Encl.
8/ P.

Form of Accounts prescribed under the I

[See Section II of the

The Mangalore Electric

For the year en

No. I.—Statement of Share Capital appropriated for the purposes of the un

Description of Capital.	Authorised by	subscribed No. of shares	Nominal amount of share	Called
1,00,000 shares of Rs 10/- each.	Memorandum of Association.	56,000	Rs 10/-	Rs

No. II.—Statement of Loan Capital appropriated for the purposes of the u

Description of Loan.	Amounts Borrowed.		
	At per cent.	At per cent.	At per ce
First Mortgage Debentures.	5%		

In terms of our letter of even date.

Lowlock Lewes

Chartered Accountants.
Registered Accountants.

Calcutta,
22nd September 1941

an Electricity Act, 1910, for Companies.

[AND RULE 36 (3).]

NGALORE **ELECTRIC LICENCE.**

ply **Company, Limited.**

ng 31st March 1941

aking authorised by the above mentioned licence at the end of the year.

per share.	Total paid-up.	Subscribed ~~Issued~~ not paid-up.	Unallotted Remaining ~~unissued~~	Total amount authorised.
)/-	₨ 5,60,000/-	Nil	44,000	₨ 10,00,000/-

ertaking authorised by the above mentioned licence at the end of the year.

Total.	Remaining borrowing powers.	Total amount of borrowing powers.
₨ 2,75,000/-		₨ 2,75,000/- Authorised by G.O.No. Mis.2825 d/ 28.12.34

For and on behalf of
The Mangalore Electric Supply Co.Ltd.
OCTAVIUS STEEL & CO.LTD

DIRECTOR
MANAGING AGENTS

Dr.

No. III.—

For the year en

	Expenditure up to end of previous year.	Expended during the year.	Total expenditu to 31st March
1. To preliminary expenses (to be specified) :—			
2. To lands including law charges incidental to acquisition	11,289- 6-6		11,289-6
3. To buildings	1,53,924-10-0		1,53,924-1
4. To plant	2,39,155-12-8		2,39,155-1
5. To mains	2,72,447- 0-2	3,551- 9-4	2,75,998-
6. To service connections	23,123- 3-11	1,309- 6-6	24,432-1
7. To transformers, etc.	47,712- 6-8		47,712-
8. To meters, Indicators & Electrical Instruments.			
9. ~~To general stores~~	39,108- 0-1	3,398-10-6	42,506-10
10. To special items (to be specified) :—			
Public lamps	13,259- 1-3	2,875-13-5	16,134-14
Loose and fixed tools	12,800- 6-9		12,800- 6
Furniture and fittings	2,894-14-6	35- 7-6	2,930- 6
Motor Car and cycles	8,397- 7-0	537- 1-0	8,804- 8
Oil store tank		-130- 0-0	
Motor & Auxiliary Gear on Hire.	2,002-14-0		2,002-14-
Mains, Street Lighting Extensions.	21,997- 9-10		21,997- 9
Total expenditure ...	8,48,112-13-4	11,708- 0-3 - 130- 0-0	8,59,690-13-
To balance of Capital Account	8,48,112-13-4	11,578- 0-3	8,59,690-13

In terms of our letter of even date.

Lovelock & Lewes

Chartered Accountants.
Registered Accountants.

Calcutta,
22nd September 1941.

ITAL ACCOUNT.

g 31st March 1941

5

Cr.

	Receipts up to end of previous year.	Received during the year.	Total receipts to 31st March 1941
By ordinary shares of Rs. 10/- each fully paid in cash.	5,60,000-0-0		5,60,000- 0-0
Ditto			
By preference shares of...			
By debenture stock			
By mortgages and Debentures.	2,75,000-0-0		2,75,000- 0-0
By amounts received in anticipation of calls			
By other receipts (to be specified)			
" Forfeited shares.	75-0-0		75- 0-0
			8,35,075- 0-0
By Balance			24,615-13-7
			8,59,690-13-7

For and on behalf of
The Mangalore Electric Supply Co.Ltd.
OCTAVIUS STEEL & CO.LTD

DIRECTOR
MANAGING AGENTS

Dr. *For the year ending*

	A.—Generation.		
1.	To fuel	35,690-11-11	
2.	To oil, waste, water and engine-room stores	7,215- 8-11	
3.	To proportion of salaries of engineers, superintendents and officers	4,509- 0-0	
4.	To wages and gratuities	4,008- 3-7	
5.	To repairs and maintenance as follows :—		
	Buildings	111- 9-4	
	Plant	2,747- 7-11	
6.	Proportion of provident fund contributions	955- 8-0	
7.	Proportion of Resident Engineer's commission	733- 8-0	55,971- 9-8
	To special items (to be specified)		
	B.—Distribution.		
1.	To proportion of salaries of engineers, superintendents and officers	2,803- 0-7	
2.	To wages and gratuities	5,582- 6-5	
3.	To repairs, maintenance and renewals of mains	2,109-10-10	
4.	To repairs, maintenance and renewals of transformers, etc. ...	438-10-10	
5.	To repairs, maintenance and renewals of meters, switches, cut-outs and other apparatus on consumers' premises ...	1,950-11-2	
6.	To repairs and maintenance of station lighting	114- 8-10	
7.	To repairs and maintenance of house services	824- 0-4	
8.	To repairs and maintenance of fans and motors		
9.	To repairs and maintenance of instruments and tools ...	124- 8-9	
10.	To proportion of provident fund contributions	594- 0-0	
11.	To proportion of Resident Engineer's commission	733- 8-0	
12.	To proportion of motor car maintenance	947-10-11	16,222-12-0
	C.—Public Lamps.		
1.	To attendance and repairs	1,514-15-5	
2.	To renewals, etc.	1,572- 4-7	3,087- 4-0
	D.—Rents, rates and taxes.		
1.	To rents payable		3,036- 5-0
2.	To rates and taxes		
	Carried over.		78,317-14-8

E ACCOUNT.

1st March 19 41 Cr

By sale of energy for lighting purposes	90,256-15-10	
By sale of energy for power purposes	51,151-11-0	
By sale of energy under special contracts		
By public lighting	13,421- 0-6	
By Bazaar Lighting.	16,310- 9-0	
By Public Lamps,Maintenance charges recovered.	3,550- 5-5	
By rental of meters and other apparatus on consumers' premises	9,487- 0-0	
By ~~rent receivable~~ rental of House Services. ...	1,136- 0-0	
By transfer fees	4- 0-0	
By service connections	3,144- 0-11	
By miscellaneous receipts from consumers	2,820- 6-10	
). By other items (to be specified)		
.By Interest on Public Lamps extensions undertaken by the Company.	650-14-4	
2. By Sundry Sales.	660- 8-4	1,92,593-8-2
Carried over.		1,92,593-8-2

Dr. No. IV.—REVENU

Brought Forward.		78,317-14-8
E.—Management expenses.		
1. To Directors' remuneration	1,536- 0-0	
2. To Managing Agents' commission	1,422- 9-0	
3. To Managing Agents' allowance	9,000- 0-0	
4. To share of Managing Agents' technical staff salaries ...	2,592- 0-0	
5. To general establishment charges	8,496-12-8	
6. To proportion of salaries of engineers, superintendents & officers	3,300- 0-0	
7. To Auditors of Company	300- 0-0	
8. To Auditor appointed under the provisions of the Act ...	50- 0-0	
9. To proportion of motor car maintenance	315-14-0	27,013- 3-8
F.—Law charges.		
To Law expenses		226- 0-0
G.—Depreciation.		
1. To depreciation in respect of leasehold works		
2. To depreciation in respect of buildings	3,956- 2-7	
3. To depreciation on plant	14,364-14-3	
4. To depreciation on mains	6,811- 3-0	
5. To depreciation on transformers, etc.	3,578- 7-0	
6. To depreciation on meters	2,933- 1-9	
7. To depreciation on general stores		
To depreciation in respect of any other items, to be specified		
Depreciation on house services	2,929-11-2	
Depreciation on public lamps	331- 7-9	
Depreciation on loose & fixed tools	370- 5-4	
Depreciation on furniture & fittings	289- 7-9	
Depreciation on motor car & cycles	906- 6-0	
Depreciation on spare gear	284- 2-5	
-do- on Mains Street Lighting Extensions.	549-15-0	
-do- on Motor & Auxiliary Gear on Hire.	150- 3-0	37,455- 7-0
H.—Special charges.		
To special items (to be specified)		
Insurance	2,899-13-3	
Service connections	2,748- 0-5	
Electricity Duty Tax.	12,978- 2-6	
Bad Debts.	171- 8-2	
Inspection Fees.	603- 0-0	19,400- 8-4
Total expenditure		30,180- 6-6
Balance carried to net revenue		1,92,593- 8-2

In terms of our letter of even date.

Lovelock & Lewes

Calcutta,
22nd September 1941.

Chartered Accountants.
Registered Accountants.

ACCOUNT – *contd.*

Brought Forward.		1,

For and on behalf of
The Mangalore Electric Supply Co.Ltd.
OCTAVIUS STEEL & CO.LTD

DIRECTOR
MANAGING AGENTS

1,92,593-8-2

Dr. V.—NET REV

	To Balance from Last Account.	1,65,018- 2-1
1.	To interest on debentures accrued due to date	13,750- 0-0
2.	To interest on mortgages and bonds accrued due to date	
3.	To interest on temporary loans accrued due to date	4,513- 0-6
4.	To dividend on preference stock	
5.	To income-tax paid	
	To interest on Security Deposits	1,393-14-2
6.	To balance applicable on Dividend on ordinary stock or shares	
	To Debenture Trustees Fees.	300- 0-0
		1,84,975-0-

Dr. VI.—RESE

1.	Amount paid out (items to be specified)	
2.	Amount of balance to next Account	
		N I

Dr. VII.—DEPREC

	To balance	2,27,551-15-
	Only the depreciation provided on the Assets included in statement No.III has been carried to the credit of this Account. The value of Spare Gear has been included in the General Balance sheet after deduction of Rs 284-2-5 depreciation charged in Revenue Account.	
		2,27,551-15-

In terms of our letter of even date

Lowlock Lewis

Calcutta,
22nd September 1911.

Chartered Accountants.
Registered Accountants.

ENUE ACCOUNT. Cr.

1. By balance from last account			
Less Dividend paid			
By Amount carried to Reserve Fund ...			
2. By balance brought from revenue account (No. IV)			30,180- 6-6
3. By interest on investment			7- 8-0
By balance carried to General Balance Sheet			1,54,787- 2-5
			1,84,975-0-11

E ACCOUNT. Cr.

1. By balance brought from last account			
2. By amount brought from net revenue account			
3. By interest on amount invested			
(Description of investments to be specified)			

ATION ACCOUNT. Cr.

1. By balance from last account			1,90,380-11-4
2. By interest on investments			
3. By amount brought from revenue account (see No. IV—G.)			37,171- 4-7
(Description of investments to be specified)			
			2,27,551-15-11

For and on behalf of
The Mangalore Electric Supply Co.Ltd.
OCTAVIUS STEEL & CO.LTD

DIRECTOR
MANAGING AGENTS

LIABILITIES.

1.	To capital account: amount received as per Account No. III	8,35,075- 0-0
2.	To sundry creditors due on construction of plant and machinery, fuel, stores, etc.	2,734- 4-11
3.	To sundry creditors ~~for expenses~~.	12,992- 1-2
4.	To net revenue account: balance at credit thereof	
5.	To reserve fund account: balance at credit thereof	
6.	To depreciation account	2,27,551-15-11
7.	To special items (to be specified)	
8.	To Consumers' Security Deposits	29,805- 4-0
9.	To interest on Security Deposits	1,393-14-2
10.	To Imperial Bank of India, Calcutta.	2,305-15-1
11.	To Loan at Call.	68,000- 0-0

In terms of our letter of even date.

Jamieson & Lewes

Calcutta, *Chartered Accountants.*
22nd September 1941. *Registered Accountants.*

TOTAL ... 11,79,858-8-1

ALANCE SHEET. Cr.

ASSETS.

1.	By capital account: amount expended for works as per account No. III	8,59,690-13-7
2.	By stores on hand	38,698- 4-5
3.	By spare gear	11,082- 0-0
4.	By sundry debtors	29,466-10-0
5.	By preliminary expenses awaiting adjustment Expenditure during construction including Brokerage and Commission. ...	55,585-12-0
6.	By securities as held (cost price)	500- 0-0
7.	By special items (to be specified)	
8.	By cash at Bankers	14,505- 3-6
9.	By cash on hand	3,170-15-3
10.	By advance payments	1,182-13-10
11.	By Development Expenses.	4,540-12-5
12.	By Expenditure on Debenture Issue.	6,648- 0-8
13.	By Nett Revenue Account, Balance at debit thereof.	1,54,787- 2-5

For and on behalf of
The Mangalore Electric Supply Co.Ltd.
OCTAVIUS STEEL & CO.LTD

DIRECTOR
MANAGING AGENTS

TOTAL ... 11,79,858-8-1

THE MANGALORE ELECTRIC SUPPLY CO., LTD.

For the Year ended 31st March 1941.

COMPANIES' ACCOUNTS.

No. IX—STATEMENT OF ENERGY GENERATED, SOLD, Etc.

	Total energy generated in Kilowatt-hours.	1408140
KILOWATT-HOURS SOLD.	2 Public lamps.	95417
	3 Special contract.	
	4 Consumers by meter for lighting purposes.	329724
	5 Consumers by meter for power purposes.	625901
	6 Total.	1051042
	7 Kilowatt-hours used on works.	57612
	8 Kilowatt-hours not accounted for.	299486
	9 Total: Kilowatt-hours accounted for.	1108.654
	10 Kilowatts connected for public lamps.	53
	11 Total consumers connected.	1790
	12. Total Kilowatts connected.	2201
	13 Plant installed Kilowatts.	750
	14 Maximum supply demanded in Kilowatts.	.506

For and on behalf of
THE MANGALORE ELECTRIC SUPPLY CO., LTD.
OCTAVIUS STEEL & CO. LTD.

Director.

Managing Agents

17 15) The Licensee may be informed to provide Depreciation in accordance with the revised rates of Income-tax Act, as soon as finances permit.

17 16) General Balance Sheet:-
The Licensee may be advised to invest at least 10% of the Depreciation Fund and 25% of the Consumer's security deposits in Government or Trustee Securities.

19 17) No. IX Statement of Energy Generated, sold etc.
The units unaccounted for, works out to 22% of the total units generated.

20 18) The Licensee may be advised to investigate the reasons for this high figure of line losses and take early steps to minimise the unaccounted for units of energy.

Chief Electrical Inspector
to Government.

GNL/PB-21-7
21/7

Copy of letter dated 16th June 1942 from Messrs. Lovelock & Lewes, 4 Lyons Range, Calcutta, to the Chief Electrical Inspector to Government:----

Tinnevelly-Tuticorin Electricity Supply Co.Ltd.
Salem-Erode Electricity Supply Co. Ltd.
Mangalore Electricity Supply Co. Ltd.

We beg to acknowledge receipt of your letter No.A.C./41/652 dnx of the 9th inst. in which you request us to supply you with a detailed bill of charges, in triplicate, for auditing the Accounts of the above companies on behalf of Government.

We regret that the contents of your letter are not understood as the Companies pay us an annual fee for the audit of the Accounts on behalf of the Shareholders and to whom we address our report, together with a small sum which covers the time spent on checking the Accounts which are submitted in the form required by Government. The fees we receive are, therefore, as follows:---

	Audit fee.	Fee for checking Government Returns.
Tinnevelly-Tuticorin ..	Rs.350--0--0	Rs.50--0--0
Salem-Erode	450--0--0	50--0--0
Mangalore	300--0--0	50--0--0

Your letter refers to a letter from us dated 26th April 1942, which supplied certain information which was required by you as Chief Electrical Inspector. We believe the amount of time which the Managing Agents required to spend in obtaining this information for you was considerable, but the time spent by our assistant on the same subject amounted only to three and a half hours. At our usual scale of charges the fee would amount to Rs.75/- but if the companies are going to be surcharged with this amount we have no desire to make any charge. If, however, Government can see its way to make payment of this small sum to us we will be grateful.

/True copy/.

TSS/23.6.

P.W.D.

(1-12) C No 1786 from the Ch. E. I. Lr. No A 21/40-41 765-2 20-7-42
Elec. Mangalore Electric
licence Accounts 40-41

Please see the audit report on account of the Mangalore Electric licence on pages 1 Lr. and the remarks of the Ch E I Lr on pp 17-19 Lr. The CEI Lr's ~~recommendations~~ remarks in paras 8 and 9 10 to 20 may be communicated to the licensee. The recommendation of the C.E.I.Lr. that the question of reduction of meter rent may be deferred for the present may be accepted.

A draft order is submitted for approval.

11/8/42 11/8/42

17/8/42

11/19-8

25

C.F. 16.

DRAFT FOR APPROVAL.

Date. Initials. SUBJECT:— Electricity Installations

When received for fair copying .. 1.x

When copied . 1/8

When examined: . 19/8

When signed ..

When despatched.

Recorded with remarks.

READ AGAIN ....., dated 19

" " ..... " 19

READ *ALSO*:— from Messrs Lovelock and Lewes dated 22.9.41

No. 1186 From the Ch. E. I. & ....., No. A21/40-41 dated 20.7.1942

" ..... " ..... " ..... " 19

" ..... " ..... " ..... " 19

Order / Resolution | Ms. / Rout. No. 2925 dated 14.8.42 19

Recorded.

It has been reported that the items of General Stores included in No VIII "General Balance" sheet and that this item is therefore shown as Nil in the Capital Account. This procedure is not correct. The head "General Stores" includes all items such as Tools and accessories as are required for the running and maintenance of the plant and these items cannot be classified under other heads; but have to be shown against item above head. Further, these items should not be grouped up with Consumable and other articles in the stores which are not charged to Capital

and which are correctly shown under the suspense head "Stores on hand" on the Assets side of the General Balance sheet.

(i) The debit of Rs 3,398-10-6 against "Relays indicators and Electrical instrument should be split up and exhibited under the appropriate heads as laid down in the Model form of accounts appended to the Indian Elecy Rules 1937. The expenditure relating to Indicators and electrical instruments should be included under General Stores."

3. Note IV Revenue Account.

The Engineer's salary is reported to have been allocated on the basis of time spent. The allocation should be in the ratio of 30:30:40 between A-Generation, B-Distribution and F-Management Expenses.

(ii) It is reported that a sum of Rs 8820-6-10 exhibited against item 9 "By Miscellaneous receipts from Consumers includes a sum of Rs 1700 representing the amount received from the liquidators (Federation of Electrical Licensees Ltd). This does not appear to be a receipt directly connected or incidental to "operation and maintenance" of the electrical undertaking of this licensee and should therefore be